

# CHECKLIST ENVIRONMENTAL ASSESSMENT

**Project Name:** Proposed Gas Well – Omimex Canada Ltd.  
State 14-2-33N-5W Well

**Proposed Implementation Date:** November 7, 2008

**Proponent:** Omimex Canada Ltd, 65 East Broadway, Suite 401, Butte, Mt 59701, ph# 533-6827

**Type and Purpose of Action:** Omimex has requested permission to drill a gas well. This is a split estate project where the state owns the mineral and the surface is fee title land. The well will be drilled to the Cut Bank formation to total depth of 2697 feet. The proposed well site is located cropland currently under small grain production. A drilling pad location has already been built. If sufficient quantities of gas are present then a commercial well site will be developed. If tests indicate that commercial quantities of recoverable gas are not present, then the well will be plugged in conformance with standards approved by the Montana Board of Oil and Gas Conservation. After drilling operations have been completed the disturbed areas will be reclaimed. The area will be recontoured and the topsoil redistributed over the area. The site will then be returned to small grain production. The proposed action will temporarily disturb a small portion of the landscape. Negative impacts to the soil resources are expected in the short-term. Long-term, cumulative, and/or irreversible impacts to the ecosystem are not expected.

**Location:** SE¼SW¼, Sec 2, T33N, R5W  
830' FSL, 1736' FWL

**County:** Glacier

**Trust tract is designated:** Common Schools

## I. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED: Provide a brief chronology of the scoping and ongoing involvement for this project.

Omimex Canada Ltd – Operator  
Quicksilver Resources Inc - Lessee  
Montana Board of Oil and Gas, Shelby  
Surface Owner

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

Montana Board of Oil and Gas Conservation permit form 22 has been approved. API number 25-035-22094. Quicksilver Resources has the State of Montana Oil and Gas Lease #2873-51 associated with this state land. DNRC is not aware of any other agencies with jurisdiction or other permits needed to complete this project.

3. ALTERNATIVES CONSIDERED:

Grant Omimex permission to drill a well on State Land using the Conrad Unit Office's recommendations to minimize adverse environmental impacts.

Deny Omimex permission to drill a gas well on State Land

## II. IMPACTS ON THE PHYSICAL ENVIRONMENT

RESOURCE	[Y/N] POTENTIAL IMPACTS  N = Not Present or No Impact will occur. Y = Impacts may occur (explain below)
4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are fragile, compactible or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations? Are cumulative impacts likely to occur as a result of this proposed action?	[N] Soils at this site are silty to clayey in texture. Topography is flat and soils are well developed. Area is currently being farmed for small grain production. Soils are suitable for oil and gas well development and road use. The proposed action may cause localized areas of soil erosion and compaction from the manipulation of vehicles and equipment on the surface. The top 12 inches of soil will be removed from the well site and stock piled for reclamation purposes. The access road may only be used when the topsoil is dry or frozen to minimize soil erosion and compaction. The proposed action will temporarily disturb a small portion of the landscape. No long-term negative impacts on the soil resources are expected.
5. WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality? Are cumulative impacts likely to occur as a result of this proposed action?	[N] The proposed action is not expected to impact water quality, quantity, or distribution in the area.
6. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)? Are cumulative impacts likely to occur as a result of this proposed action?	[N] The proposed action will not impact air quality.
7. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present? Are cumulative impacts likely to occur as a result of this proposed action?	[N] About 2 acres of cropland land will be impacted by the removal of topsoil and the manipulation of vehicles on the ground surface at the well site location and the access road. Omimex will be responsible for noxious weeds that may arise from implementing this proposed action. No rare plants or rare plant communities are present in the area. The site will be returned to agricultural production following site reclamation. The proposed action will impact a small portion of the landscape. Overall, no long-term negative and/or cumulative impacts to the vegetation resources are expected.
8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish? Are cumulative impacts likely to occur as a result of this proposed action?	[N] The area is not considered critical wildlife habitat. Well drilling activities and road travel may temporarily displace wildlife species found in this area. These wildlife species may include mule deer, pronghorn antelope, predators, upland game birds, waterfowl, non-game animals and songbirds. The proposed action will not impact wildlife forage, cover, or traveling corridors. Nor will this action change the juxtaposition of wildlife forage, water, or hiding and thermal cover. Wildlife usage is expected to return to "normal" (pre-action usage) following the drilling operations. The proposed action will not have long-term negative affects on existing wildlife species and/or wildlife habitat.

<b>II. IMPACTS ON THE PHYSICAL ENVIRONMENT</b>	
9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Sensitive Species or Species of special concern? Are cumulative impacts likely to occur as a result of this proposed action?	[N] There are no threatened or endangered species, sensitive habitat types, or other species of special concern associated with the proposed project area.
10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?	[N] A cultural resource inventory was completed by the Conrad Unit Office on November 7, 2008. The area is currently being farmed and therefore, no cultural resources were found within the project and cultural resources will not be impacted by this proposed project.
11. AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light? Are cumulative impacts likely to occur as a result of this proposed action?	[N] The proposed action will occur in a remote area and will not cause a large change in the aesthetic character of the land. The main industries in this area are agriculture and oil and gas. If a producing well is developed, a small portion of the lands aesthetic character will be changed. Daytime noise levels may slightly increase during the time of the project, but noise levels will return to "normal" (pre-action conditions) after the project is completed. No other changes to the aesthetics character of the land area expected.
12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project? Are cumulative impacts likely to occur as a result of this proposed action?	[N] The demand on environmental resources such as land, water, air, or energy will not be affected by the proposed action. The proposed action will not consume resources that are limited in the area. There are no other projects in the area that will affect the proposed project.
13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract? Are cumulative impacts likely to occur as a result of other private, state or federal current actions w/n the analysis area, or from future proposed state actions that are under MEPA review (scoping) or permitting review by any state agency w/n the analysis area?	[N] Currently, there are no other studies, plans, or projects associated with the proposed project area.

<b>III. IMPACTS ON THE HUMAN POPULATION</b>	
<b>RESOURCE</b>	<b>[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES</b>
14. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?	[N] The proposed well will not change human safety in the area.
15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?	[Y] The intent of the proponent's action is to locate and remove gas for commercial sale. If tests indicate the existence of economically recoverable quantities of gas, a producing well will be established, and extraction will follow. If a producing well is developed the School Trust will receive royalty payments at current market rates for all gas produced by the well. Activities associated with the proposed action will minimally affect the surface use of the land (cropland). A minimal amount of cropland will be taken out of production if a producing well is developed. All damages to the surface have been mitigated between the owner and Omimex. This project

	will not add to or deter from other industrial, agricultural, or commercial activities in this area. Omimex will repair all damaged improvements.
16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number. Are cumulative impacts likely to occur as a result of this proposed action?	[Y] The proposed action will create several well drilling jobs and generally add to the economy of surrounding communities.
17. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue? Are cumulative impacts likely to occur as a result of this proposed action?	[Y] The proposed action will add to tax revenue.
18. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed? Are cumulative impacts likely to occur as a result of this proposed action?	[N] This project will not add demand for government services.
19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?	[N] The proposed action is in compliance with State and County laws. No other management plans are in effect for the area.
20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract? Are cumulative impacts likely to occur as a result of this proposed action?	[N] The project area is private land. Recreational use is not expected to change.
21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing? Are cumulative impacts likely to occur as a result of this proposed action?	[N] The proposed action will not change the human population distribution or the housing requirements in the area.
22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?	[N] The proposed action will not alter the social structure of surrounding native communities.
23. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?	[N] The proposed action will not impact the cultural uniqueness and/or the cultural diversity of the area.
24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES: Is there a potential for other future uses for easement area other than for current management? Is future use hypothetical? What is the estimated return to the trust. Are cumulative impacts likely to occur as a result of this proposed action?	[Y] Quicksilver Resources has interest in the State of Montana Oil and Gas Lease #2873-51 that is associated with this state land. Omimex Canada is the operator of this lease. This lease entitles them to reasonable development of oil and gas wells on this tract after DNRC approval. The Common School trust will be compensated for all gas removed from a producing well.

EA Checklist Prepared By: /S/ ERIK ENEBOE  
Erik Eneboe

Conrad Unit Manager - CLO Date: November 7, 2008  
Title

#### IV. FINDING

25. ALTERNATIVE SELECTED:

Authorize drilling of the gas well

26. SIGN4IFICANCE OF POTENTIAL IMPACTS:

Significant impacts are not anticipated as a result of the proposed action. There are no unique cultural, vegetative, resources, threatened or endangered species habitat or water resources on the site proposed for drilling. Terrain is level and has been farmed in the past. The surface ownership is sperate from sub-surface and the surface owner has been involved and arrangements made for compensation of surface disturbance which is minor.

27. Need for Further Environmental Analysis:

☐ EIS    ☐ More Detailed EA    ☒ No Further Analysis

EA Checklist Approved By: Garry Willaims Area Manager - CLO  
Name Title

/s/ Garry Williams 11/10/2008  
Signature Date